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Taiwan

Grain and Feed

Tender Update: Rice CSQ Implementation 2009

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Report Highlights:

As of March 27, Taiwan has completed rice tenders for 18,000 tons of the 2009 rice country specific quota (CSQ) under simultaneous-buy-sell system (SBS). Taiwan announced further tenders for the unfilled 2008 CSQ to be held on April 7th. Additional tenders for the 2007 unfilled CSQ were not announced. Taiwan's rice CSQ unfilled rate remains at 64 percent (60,434 tons) for the 2008 and 34 percent (32,037 tons) for the 2007 quota.

Includes PSD Changes: No
Includes Trade Matrix: No
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Summary

As of March 27, Taiwan has completed rice tenders for 18,000 tons of the 2009 rice country specific quota (CSQ) under simultaneous-buy-sell system (SBS). Taiwan announced further tenders for the unfilled 2008 CSQ to be held on April 7th. Additional tenders for the 2007 unfilled CSQ were not announced. Taiwan's rice CSQ unfilled rate remains at 64 percent (60,434 tons) for the 2008 and 34 percent (32,037 tons) for the 2007 quota.

Regarding the status of the 2008 CSQ retendering, all the 60,434 tons U.S. CSQ under traditional tender system had failed the first tendering process, of which 43,000 tons failed a second tendering process. On April 7th 21,500 is scheduled for a third tender if unsuccessful the rice will be transferred to the global quota.

April 7 Tender Announcements

This week Taiwan announced retender schedules for three unfilled U.S. 2008 CSQ tenders under traditional system, one is a second tender while the other two tenders are entering their third process. All tenders scheduled for April 7 are for delivery by August 31, 2009.

1. GF4-970-301-1 for US Origin 5,934 tons medium/short grain brown rice, the second tendering process
2. GF4-970-244-2 for US Origin 10,000 tons medium/short grain milled rice (11,500 tons brown equivalent), the third tendering process
3. GF4-970-245-2 for US Origin 10,000 tons medium/short grain brown rice for third tendering process

March 11 Tender Results

1. GF4-970-278-1 for US Origin 9,000 tons medium/short grain milled rice (10,350 tons brown equivalent): Tender failed due no bidders participated in the bidding.
2. GF4-970-279-1 for US Origin 1,000 tons medium/short grain milled glutinous rice (1,150 tons brown equivalent): Tender failed due to no bidders participated in the bidding.
3. GF4-970-280-1 for US Origin 10,000 tons medium/short grain brown rice: Three bidders participated the bidding, two bided for 2,000 tons and the other bided for 1,000 tons. Tender failed due to offered bidding price exceeded ceiling price, with lowest offered bid price NT\$41,860/mt or \$1,209.97/mt. (Exchange rate US\$1=\$NT34.60, quoted 03/11/2009)
4. GF4-970-272 for 3,310 tons on a global basis (originally Australia CSQ)
Fourteen bidders participated in the bidding. The tender was under strong competition with offered bidding price from NT\$4.35/kg to NT\$6.022/kg. All 3,310 tons were successfully awarded to three bidders with respective quota amount 1,000 tons, 2,000 tons and 310 tons at one price NT\$6.022/kg.

Summary Tables for CSQ Implementations

Table 1 The 2009 Quota for Public Sector Imports last update 03/03/2009)

Country	SBS System	Traditional Tender System	Total
Egypt	2,500	0	2,500
Thailand	8,300	0	8,300
Australia	10,000	8,634	18,634
USA	9,200	55,434	64,634
2009 Total	30,000	64,068	94,068

Note of the 03/11/2009, the first tranche of 18,000 tons SBS tender completed (19% of CSQ quota filled rate):

1. The 6,000 tons of U.S. CSQ under SBS was awarded to 5 importers at the range of NT\$0.6/kg to NT\$0.581/kg.
2. The 6,000 tons of Thai SBS CSQ was awarded to 4 importers at NT\$8.8/kg (\$266.67/mt).
3. 190 tons out of the 6,000 Australian SBS CSQ was awarded at either NT\$2.0/kg (\$60.61/mt) or NT\$2.5/kg (\$75.76/mt). The remaining 5,820 tons was switched on a global basis. On 02/11/2009, 2,500 tons was awarded to six bidders at the price range: NT\$8.2/kg to NT\$9.0/kg. On 03/11/2009, the remaining 3,310 tons was awarded to three bidders at the same price NT\$6.022/kg.

Table 2 - The 2008 Quota for Public Sector Imports (updated 03/02/2009)

COUNTRY	SBS SYSEYEM	TRADITIONAL TENDER SYSTEM	TOTAL
Egypt	2,500	0	2,500
Thailand	8,300	0	8,300
Australia *	10,000	8,634	18,634
USA **	4,200	60,434	64,634
Total	25,000	69,068	94,068

Note (quota filled rate 36%, as of 03/26/2009):

1*: Only 290 tons of the Australia CSQ was awarded to Australian rice importers and remaining 18,344 tons Australia CSQ was awarded on a global basis. The industry believed that Thai rice suppliers are benefited from the 18,344 tons Australia relinquished CSQ quota.

2**: As of 03/26/2009, all of the 2008 CSQ retendering, all the 60,434 tons U.S. CSQ under traditional tender system had failed the first tendering process, of which 43,000 tons failed a second tendering process. On April 7th 21,500 is scheduled for a third tender if unsuccessful the rice will be transferred to the global quota.

Table 3 - The 2007 Quota for the Public Sector Imports

Country	SBS System	Traditional Tender System	Total
Global (before CSQ)	9,100	NA	9,100
Egypt	2,258	0	2,258
Thailand	6,347	1,150	7,497
Australia	500 (460**)	16,331 (16,331**)	16,831
USA	1,795	56,587 (32,037**)	58,382
2007 Total	20,000	74,068	94,068

Note (quota filled rate 66%):

1. Of this 32,037 unfilled 2007 quota, 1,150 tons is relinquished Australia CSQ and 30,887 tons are unfilled U.S. CSQ. The entire amount of unfilled 2007 U.S. CSQ had already failed at the least three tendering processes and have been switched to under a global basis with the same rice specifications for medium/short grain purchasing
2. ** Represents quota amounts that have been switched on to a global basis as of December 30, 2008.
3. As of 12/30/2008, the U.S. has gained 3,450 tons from relinquished Australia CSQ and has lost 1,150 tons CSQ to Vietnam for short grain glutinous rice, with a gross gain 2,300 tons

Summary Table for Tender Schedule & Results for 2008 Import Quota (last update 03/26/2009)

Tender Type	Tendering Process	Tender Number and Country Origin
SBS - Tranche 1	1 st tender: 01/18/2008 2 nd tender: 01/31/2008	GF4-970-001 for 2,000 tons U.S. origin: Completed at the 2 nd tender with floor price at NT\$6.727/kg or \$208/mt
	1 st tendering: 01/18/2008 2 nd tender: 01/31/2008 3 rd tender: 03/04/2008	GF4-960-257 for 5,000 tons Australia origin: Awarded 290 tons at NT\$6.10/kg or \$189/mt at the 2 nd tender on 1/31/2008; the remaining 4,710 awarded on 03/04/2008 on a global basis at NT\$9.666/kg or \$310.8/tons.
	1 st tender: 01/18/2008	GF4-960-258 for 5,500 tons Thailand origin rice: Completed at the 1 st tender on 1/18/2008 with floor price at NT\$9.5/kg or \$294/mt
	1 st tender: 01/18/2008 2 nd tender: 01/31/2008	GF4-960-259 for 2,500 tons Egypt origin: Completed at the 2 nd tender on 1/31/2008 with floor price at NT\$7.768/kg or \$241/mt
	Sub total: 15,000 tons	

SBS – Tranche 2	1 st tender: 08/18/2008	GF4-970-172 for 2,200 tons U.S. origin: Failed at the 1 st tendering process due to no enough bidders participated in the bid.
	2 nd tender on 08/26/2008	1,500 tons were awarded, 1,000 ton at NT\$1/Kg and 500 ton at NT\$0.701/kg . The remaining 500 ton is pending.
	2 nd tender resumed 10/26/2008	The remaining 500 tons was awarded at NT\$0.501/kg in the 3 rd price reduction session.
	Completed at 1 st tender on 08/18/2008	GF4-970-173 for 2,800 tons Thai origin: Completed at the 1 st tendering process, with awarded price at NT\$6.159/kg or \$196/mt
	1 st tender: 08/18/2008; 2 nd tender 08/26/2008; 3 rd tender 09/05/2008	GF4-970-174 for 5,000 tons Australian origin: Failed three tendering process due to no bidders participated in the bid.
	09/30/2008 on global	All the 5,000 tons on global was awarded to successful 7 bidders out of 13 bidding participants at the same price of NT\$6.701/kg .
Subtotal 10,000 tons		
Total SBS Quota: 25,000 tons (completed on September 30, 2008)		
Traditional - 1 announced on 11/03/2008	1 st tender: 11/21/2008	GF4-970-244 for 10,000 tons medium/short grain milled rice (11,500 tons brown equivalent) – US Origin
	2 nd tender: 02/13/2009	Tender failed, with the lowest offered bid price at NT\$42,299/mt (\$1,266.05/mt), compared to local wholesale price NT\$33.98/kg on milled.
	3 rd Tender scheduled for 04/07/2009 (08/31/2009 delivery)	Tender failed because no bidders participated in the bidding.

	<p>1st tender: 11/21/2008</p> <p>2nd tender: 02/13/2009</p> <p>3rd Tender scheduled for 04/07/2009 (08/31/2009 delivery)</p>	<p>GF4-970-245 for 10,000 tons medium/short grain brown rice – US Origin</p> <p>Tender failed with the lowest offered bid price at NT\$36,594/mt (\$1,095.30/mt)</p> <p>Tender failed, with the lowest offered bid price at NT\$39,752/mt (\$1,185.56/mt, exchange rate: \$1=NT\$33.53); compared to local wholesale price NT\$36.13/kg on milled.</p>
Traditional -2 announced on 11/26/2008	<p>1st tender: 12/12/2008 (Completed)</p>	<p>GF4-970-269 for 4,000 tons of long grain milled fragrant rice (4,600 tons brown equivalent) for 2/28/2008 delivery– Global (originally Australian CSQ)</p> <p>The tender was awarded to one importer handling Thai rice at NT\$25,746/mt (\$772.92/mt).</p>
Traditional -3 announced on 12/03/2008	<p>1st tender: 12/19/2008</p> <p>2nd tender: 03/11/2009</p>	<p>GF4-970-278 for 9,000 tons medium/short grain milled rice (10,350 tons brown equivalent) – US Origin</p> <p>Tender failed with the lowest offered bid price NT\$41,325/mt (\$1,271.5/mt); compared to local wholesale price NT\$35.87/kg on milled.</p> <p>Tender failed due to no bidders participated in the bid.</p>
	<p>1st tender: 12/19/2008</p> <p>2nd tender: 03/11/2009 (delivered by 11/20/2009)</p>	<p>GF4-970-279 for 1,000 tons medium/short grain milled glutinous rice (1,150 tons brown equivalent) – US Origin</p> <p>Tender failed due to no bidders participated in the bid.</p> <p>Tender failed due to no bidders participated in the bid.</p>

	<p>1st tender: 12/19/2008</p> <p>2nd tender: 03/11/2009</p>	<p>GF4-970-280 for 10,000 tons medium/short grain brown rice – US Origin</p> <p>Tender failed with the lowest offered bid price NT\$38,750 (\$1,184.92)</p> <p>Tender failed, with the lowest offered price NT\$41,860 (\$1,209.97, exchange rate \$1=NT\$34.60)</p>
Traditional - 4 announced on 12/15/2008	<p>1st tender: 12/30/2008</p> <p>2nd Tender scheduled for 04/07/2009 (delivered by 08/31/2009) delivery</p>	<p>GF4-970-301 for 5,934 tons medium/short grain brown rice for 06/01/2009 delivery – US Origin</p> <p>Tender failed due to offered bid prices exceeded the ceiling price, with lowest offered price NT\$37,776/mt (\$1,144.76/mt), compared to local wholesale price NT\$35.97/kg on milled.</p>
	<p>1st tender: 12/30/2008</p>	<p>GF4-970-302 for 10,000 tons long grain milled rice (11,500 tons brown equivalent) for 06/01/2009 delivery – US Origin</p> <p>Tender failed because no bidder participated in the bid.</p>
	<p>1st tender: 12/30/2008 (Completed)</p>	<p>GF4-970-303 for 3,508 tons of long grain milled fragrant rice (4,034 tons brown equivalent) for 06/01/2009 delivery – Global (originally Australian CSQ)</p> <p>The tender was awarded to one importer handling Thai rice at NT\$26,198/mt (\$793.88/mt)</p>
Total Traditional Tender Quota: 69,068 tons		
Total Quota for Public Sector Imports is 94,068 tons		